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9 December 1946

OGC Has Reviewed

MEMORANDUM TO THE ASSISTANT DIRECTOR FOR SPECIAL OPERATIONS

Subject: CIG [REDACTED]

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Enclosure: a. Memorandum from the Chief, Special Funds
to the AHSO, dated 8 December 1946.

25X1A 1. Attached hereto is a memorandum, dated 2 December 1946, from the Chief, Special Funds Section to you concerning the above subject. [REDACTED] requests a specific definition of those persons who are eligible to receive the quarters allowance commensurate with a Group II classification. Paragraph 6, Part A of Bureau of the Budget Circular A-8, provides for the classification of employees in four groups. This classification is one of the bases which determines the amount of quarters allowances to be paid.

25X1A 2. The following is submitted in accordance with the questions set forth in paragraph 3 of [REDACTED] memorandum:
b). [REDACTED] provides that Group II classification applies to Chiefs of Missions and other principal officers directly subordinate to Washington, D. C., and unless otherwise approved by the Director, these officials will fall in grades [REDACTED] or above. Therefore, the answer to question b would appear to be yes.

25X1A c). There appears to be no reason why the Chief of a small station necessarily should be treated differently than the Chief of a larger station if he otherwise is eligible to receive the quarters allowance for Group II.

d). It appears that a few individuals are receiving approved representation allowances and may now be eligible to receive higher quarters allowances. The amounts prescribed in Bureau of the Budget Circular A-8 are the maximum amount only, and it is within the administrative discretion of the head of the department concerned to prescribe lower amounts or no allowances where the expenses incurred at the overseas station are less than those anticipated, or where no higher costs for living expenses are occasioned by the assignment in a foreign country. It would appear desirable that a review be made of all representation allowances now being paid before the greater quarters allowances are made effective based on the higher classification of the individuals concerned.

e). As stated in d above, the prescribed allowances are maximum amounts and, where the expenses at a particular station do not warrant payment of the full amount, an administrative determination should be made as to amounts to be paid. Since the actual Chief of Mission in this case has turned over to a

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subordinate the social responsibilities normally the liability of the Chief of Mission and is himself living very covertly, there should be a determination of the living expenses which would normally be incurred by an individual in the status presently occupied by the actual Chief of Mission. The payment of quarters allowances should then be based on such expenses rather than the expenses normally anticipated for the Chief of a Mission assuming full responsibility. In addition, the representation allowance received by the subordinate acting as the Chief of Mission should be reviewed. Under the circumstances, it might be deemed appropriate to classify him in Group II if otherwise eligible to be placed in such a Group.

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5. Paragraph 4 of [REDACTED] memorandum recommends that no person receive the Group II classification except on request of the Chief of the branch concerned and the specific approval of the Assistant Director for Special Operations or other Assistant Director concerned. It is believed that this is a desirable procedure, inasmuch as the payment of the maximum quarters and cost of living allowances is a matter for administrative determination. This is particularly so when the purpose of the extra allowances prescribed in Bureau of the Budget Circular A-8 is to compensate the individual for the increased living expenses incurred by reason of the employee being stationed outside the continental limits of the United States. It is not intended that this additional allowance cover the entire cost of an employee's living expenses while abroad. It is believed that the recommended procedure would facilitate answering the specific questions proposed by [REDACTED] in paragraph 3 of his memorandum.

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Assistant General Counsel

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cc: [REDACTED]

Saunders-[REDACTED]

JSW:mbt

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